

PRESS RELEASE

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Miliband Commission on Youth Unemployment: ONS figures likely to be a “wake up call” as NIESR research sheds new light on the reality behind the numbers

The ACEVO Commission on Youth Unemployment is warning that tomorrow’s youth unemployment figures are likely to be a “wake up call” to all those concerned about the future of young people in the UK, as new NIESR research undertaken for the Commission, and funded by the Nuffield Foundation, sheds new light on young people’s experiences of being unemployed, inactive and/or NEET (not in education, employment or training).

Looking forward to tomorrow’s ONS unemployment figures, David Miliband MP (chair of the ACEVO Commission on Youth Unemployment) said: "This week’s figures are likely to be a challenge to the whole country. Youth unemployment scars people for life, particularly if it is prolonged, and at today’s levels it will be costing the country millions of pounds a week. Our aim is to understand the problems we face, arrive at the right solutions, and then act. We must not let the scourge of unemployment leave a permanent mark on the hundreds of thousands of young people living through it today."

Over 100 charities, local councils, businesses and others worried about youth unemployment levels have submitted evidence to the Commission on Youth Unemployment.

But despite growing concern in the UK and abroad at youth unemployment and NEETHood, the broad definition of NEET - which can cover everyone from teenage mothers to those taking gap years - and reliance on point-in-time estimates has limited the evidence available on the issue.

Now preliminary results from new NIESR research presented to the Commission on Youth Unemployment today (October 11) and funded by the Nuffield Foundation shed light on how youth unemployment and NEETHood are set within individuals’ wider education and labour market histories. NIESR’s work uses nationally representative survey data to classify young individuals into groups sharing similar labour market histories between the age of 16 and 21.¹ By shifting the focus from a snapshot picture to the entire youth labour market history, the research allows us to consider the full richness of individuals’ youth labour market experience.

NIESR’s results suggest that:

¹ The analysis is conducted on the nationally representative annual longitudinal British Household Panel Survey, focusing on the sample of over 4,000 young people observed to turn 16 over the survey period from 1991 to 2008. The above results are based on almost 1,400 individuals’ providing full responses to the survey for period of at least five years after the end of compulsory schooling.

- A group of 10% of young people are most likely to warrant policy attention
- This group can be divided into a number of categories, including:
 - long-term NEETHood from the age of 16 and 18;
 - long-term worklessness straddling unemployment and inactivity;
 - individuals experiencing some employment but developing only limited labour market attachment; and
 - individuals who appear to withdraw from the labour market following an apparently successful entry into employment.

The results also highlight the central importance of the school to work transition to successful longer term outcomes.

Jonathan Portes, Director of NIESR, said: "These results are an important addition to our evidence base on the youth labour market. They classify, in a rigorous way, young people's different experiences to help us distinguish, say, those who take gap years from those at risk of serious long-term labour market exclusion. This knowledge is an essential precondition for successful intervention. The results also highlight the importance of the school to work transition for subsequent success in the labour market."

NIESR's next steps will be to compare the characteristics of the members of each group, and in particular of those falling within groups associated with unsuccessful labour market trajectories. This will aim to uncover which individual characteristics (such as gender, skills, disability, family structure, or social attitudes) are good predictors of adverse labour market outcomes in the long-run. This work will help inform the policy recommendations of the Commission.

Notes for Editors

1 The preliminary results presented to the Commission are attached, and will be published on the NIESR website on Wednesday October 12.

2. The ACEVO Commission on Youth Unemployment was set up in August 2011 by ACEVO (the national third sector leaders body) to propose ways of tackling youth unemployment, and will report this winter. It is chaired by David Miliband MP and its other members are: Jonathan Portes (Director, NIESR), Professor Paul Gregg (University of Bath), Baroness Stedman-Scott (CEO, Tomorrow's People), Katherine Kerswell (Group Managing Director, Kent County Council).

Further enquiries about the Commission should be addressed to

Carina McKeown (carina.mckeown@acevo.org.uk / 07825 894 716)

Ralph Michell (ralph.michell@acevo.org.uk / 07500 780 989)

3. The research was conducted by Richard Dorsett and Paolo Lucchino at NIESR and is being funded by the Nuffield Foundation. Further enquiries on the research should be addressed to

Paolo Lucchino (p.lucchino@niesr.ac.uk / 0207 654 1939)

Jonathan Portes (j.portes@niesr.ac.uk / 07766 441148)